

# HOUSE BILL No. 1704

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-21-5.2.

**Synopsis:** Property tax freeze for elderly homeowners. Provides a property tax credit to a homestead owner at least 65 years of age so that the owner's net property tax liability on a homestead will not, in future years, be greater than the individual's net property tax liability in the first year the individual qualified for the credit. Provides that the property tax credit is payable from the property tax replacement fund. Annually appropriates from the property tax replacement fund an amount sufficient to pay for the property tax credits.

**Effective:** Upon passage.

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January 17, 2001, read first time and referred to Committee on Ways and Means.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## HOUSE BILL No. 1704

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE UPON PASSAGE]: **Sec. 5.2. (a) The following**  
4 **definitions apply throughout this section:**

5 (1) "Base year" means the most recent calendar year:

6 (A) in which an individual qualifies and files for the credit  
7 under this section; and

8 (B) that is preceded by a calendar year in which the  
9 individual did not qualify or file for the credit under this  
10 section.

11 (2) "Dwelling" means:

12 (A) an improvement to residential real property; or

13 (B) a mobile home not assessed as real property;

14 that an individual uses as the individual's residence.

15 (3) "Homestead" means an individual's principal place of  
16 residence that:

17 (A) is located in Indiana;



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(B) the individual either owns or is buying under a contract requiring the individual to pay the property taxes on the residence; and

(C) consists of a dwelling and any real estate, not exceeding one (1) acre, that immediately surrounds the dwelling.

(4) "Net property tax bill" means the amount of property taxes currently due and payable by an individual for a particular calendar year after the application of all deductions and credits, except for the credit allowed under this section, as evidenced by the tax statements prepared and mailed under IC 6-1.1-22-8.

(5) "Qualifying individual" means an individual who is at least sixty-five (65) years of age as of December 31 of the calendar year that immediately precedes the calendar year for which the claim for a credit under this section is being made.

(b) Each year a qualifying individual may receive a credit against the net property tax bill on the individual's homestead if the net property tax bill on the individual's homestead for the calendar year for which the claim is being made, before the application of the credit under this section, is greater than the net property tax billed to the individual for that homestead for the individual's base year. The amount of the credit to which a qualifying individual is entitled equals the remainder of:

(1) the net property tax bill, before the application of the credit under this section, on the individual's homestead for the calendar year for which the claim is being made; minus

(2) the net property tax billed to the individual for that homestead for the individual's base year.

(c) This subsection applies to a homestead that is not a mobile home assessed and taxed under IC 6-1.1-7. An individual who desires to claim the credit provided by this section must file a certified statement in duplicate, on forms prescribed by the state board of tax commissioners, with the auditor of the county in which the individual's homestead is located. The statement must be filed during the twelve (12) months immediately preceding May 11 of the year before the first year for which the person wishes to obtain the credit under this section. An individual who will become a qualifying individual during a calendar year but after May 10 of the calendar year may file a claim under this section before May 11 of the calendar year. The statement applies for that first year and any succeeding year for which the credit is allowed. The statement must contain the following information:



(1) The individual's full name and complete address.

(2) A description of the individual's homestead and the number of years that the individual has resided at that homestead.

(3) Proof of the individual's age.

(4) The name of any other county and township in which the individual owns or is buying real property.

(5) Any other information requested by the state board of tax commissioners.

(d) This subsection applies to a homestead that is a mobile home assessed and taxed under IC 6-1.1-7. An individual who desires to claim the credit provided by this section must file a certified statement in duplicate, on forms prescribed by the state board of tax commissioners, with the auditor of the county in which the individual's homestead is located. The statement must be filed during the twelve (12) months immediately preceding February 1 of the first year for which the person wishes to obtain the credit under this section. An individual who will become a qualifying individual during a calendar year but after January 31 of the calendar year may file a claim under this section before February 1 of the calendar year. The statement applies for that first year and any succeeding year for which the credit is allowed. The statement must contain the information specified in subsection (c)(1) through (c)(5).

(e) If two (2) individuals own a homestead as tenants in common, joint tenants, or tenants by the entirety and one (1) or both of the individuals meet the eligibility requirements of this section, those individuals are together entitled to one (1) credit under this section.

(f) The auditor of a county with whom a statement is filed under this section shall immediately prepare and transmit a copy of the statement to the auditor of any other county if the statement contains information indicating that the individual who claims the credit owns or is buying real property located in the other county. The county auditor of the other county shall note on the copy of the statement whether the individual has claimed a credit under this section for a homestead located in that other county. The auditor shall then return the copy to the auditor of the first county.

(g) Upon receiving a proper credit statement, the county auditor shall allow the credit and shall apply the credit equally against each installment of property taxes payable in that calendar year. The county auditor shall include the amount of the credit applied

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1 against each installment of taxes on the tax statement required  
2 under IC 6-1.1-22-8.

3 (h) After January 31 and before February 15 of each year, each  
4 county auditor shall certify to the state board of tax commissioners  
5 the number and amounts of the credits allowed under this section  
6 for that calendar year. Upon receiving the certifications, the state  
7 board of tax commissioners shall determine the total amount of the  
8 credits allowed in each county under this section and shall certify  
9 the totals to the department at the same time the state board of tax  
10 commissioners certifies the total county tax levies. The department  
11 shall distribute to each county from the property tax replacement  
12 fund the amount of credits certified for that county by the state  
13 board of tax commissioners at the same time and in the same  
14 manner as the department distributes the county's estimated  
15 distribution under section 4 of this chapter. There is annually  
16 appropriated to the department from the property tax replacement  
17 fund an amount sufficient to make the distributions required by  
18 this subsection.

19 (i) If an individual knowingly or intentionally files a false  
20 statement under this section, the individual must pay the amount  
21 of any credit the individual received because of that false claim,  
22 plus interest, to the state board of tax commissioners for deposit in  
23 the property tax replacement fund established by section 1 of this  
24 chapter.

25 SECTION 2. [EFFECTIVE UPON PASSAGE] (a) The definitions  
26 in IC 6-1.1-21-5.2(a), as added by this act, apply throughout this  
27 SECTION.

28 (b) IC 6-1.1-21-5.2, as added by this act, applies to property  
29 taxes first due and payable after December 31, 2001.

30 (c) Notwithstanding IC 6-1.1-21-5.2(c), as added by this act, the  
31 following apply to an individual, other than an individual whose  
32 homestead is a mobile home assessed and taxed under IC 6-1.1-7,  
33 who was at least sixty-five (65) years of age as of December 31,  
34 2000:

35 (1) The individual may file a certified statement to claim the  
36 credit under IC 6-1.1-21-5.2, as added by this act, before July  
37 1, 2001, for 2001 taxes payable in 2002.

38 (2) The base year of the individual is calendar year 2001.

39 (d) This SECTION expires January 1, 2003.

40 SECTION 3. An emergency is declared for this act.

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